Marlboro 25's

Recent decision was made to expedite the promotion by 2 months. If all product and kits are delivered to distributors during the week of April 26, we will be able to achieve a retail start date of May 31

- Distributors need 5 weeks to slot, stamp, assemble and ship product to retail
- Expect 15 business days to cycle the product through public warehouses to arrive at distributors
- SPOT will be new to the Sales Organization which may complicate the situation
- Metro NRM stores are the most challenging market to measure the success of a promotion
- Running a price off promotion during the Marlboro 25s promotion in NRM metro accounts may create double dipping effect if unable to control penetration(best penetration achieved 18%)

Recommendation:

- Replace the June Metro promotion with a geographical market to include all trade classes and retail participation levels

Identify a State

- Located in the East
- Achieve the same volume impact as National metro NRM
- Replicate the National promotion in October
- Easier to implement with only one promotion in market

2074316944

©Philip Morris Inc. 1998

Source: https://www.industrydocuments.ucsf.edu/docs/fgpx0003

Marlboro 25's

Number of Stores

Metro NRM 37,000

New Jersey	RM	NRM	Metro	Non-Metro	RM Metro	NRM Metro
6,555	3,713	2,842	2,354	4,201	1,910	1,244

New York	RM	NRM	Metro	Non-Metro	RM Metro	NRM Metro

Connecticut	RM	NRM	Metro	Non-Metro	RM Metro	NRM Metro

2074316945

©Philip Morris Inc. 1998

Source: https://www.industrydocuments.ucsf.edu/docs/fgpx0003

9-14 Meyercord

Marlboro 25's
Weekly Meeting Agenda, 9/1/98

Meeting Objective:

Develop framework to offer Marlboro Box 25s as single pack promotions ("25 for the price of 20") in 1999. Specifically:

- Promote 100MM units (4MM deals) in NRM Metro accounts in June or August, '99
- Promote 2BB units (80MM deals) in all workload accounts in October, '99

The following agenda outlines key issues to be discussed at the next meeting as well as key contact. For those listed, please be prepared to provide an update for the group. Thank you.

Key Issues:	Key Contact:
1) Tax Stamping Status	Susan Gorney

- Gain Legal feedback on Meyercord questions and provide update at team meeting
- Set up Meyercord meeting with appropriate persons in NYO (9/14?)

2) Sales/Financial Execution	Sabrina Haynes Theresa LaSalle/Shannon Tjaden

- Present comprehensive sales executional plan to Legal and provide feedback at team meeting

3) UPC codes	Entire team

- Discuss necessity of developing new pack UPC codes for 25s product. Can we use current 20s pack codes?

4) Next Steps

- Gather necessary background information on Tax stamping/states to foster Meyercord meeting
- Develop timeline for resolution of tax stamping issues
- Examine timing/feasibility for June Metro roll-out
- Confirmation of Brand's financial responsibility, i.e. who funds installation/factory/labor charges for the production lines?

2074316946

Source: https://www.industrydocuments.ucsf.edu/docs/fgpx0003

Marlboro 25's

Key Lead Times

- Machinery Parts/Kits delivery 5 mos

1st machine	*Feb 8, '98*
2nd machine	*Feb 8, '98*
3rd machine	*Mar 26, '99*
4th machine	*Mar 26, '99*

- Machinery Parts/Kits Installment 8 wks

(6 wks to install parts to machine, 2 wks to install machine in factory & test)

1st machine	*Apr 5, '99*
2nd machine	*Apr 19, '99*
3rd machine	*May 21, '99*
4th machine	*June 4, '99*

- Product Production (100-125MM sticks per month, per line)

August

120MM units available for shipment by June 21, '99* (Metro) JUNE METRO DEL.

2BB units available for shipment by August 23, '99* (National)

October

* Assuming 100MM units/per line/per month

©Philip Morris Inc. 1998

2074316947

Source: https://www.industrydocuments.ucsf.edu/docs/fgpx0003